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April 2, 2012 TRC Solutions Project No. 192355

Mr. Gary Moore U.S. EPA Region 6 1445 Ross Avenue, Suite 1200 Dallas, TX 75202-2733

Re: Weekly Progress Report
Falcon Refinery Superfund Site
Ingleside, San Patricio County, Texas
TXD 086 278 058

Dear Mr. Moore:

On behalf of Lazarus Texas Refinery I, LLC, (Lazarus), TRC Solutions (TRC) submits this Weekly Progress Report on the Removal Action Activities at the Falcon Refinery Federal Superfund Site to the United States Environmental Protection Agency for your review.

If you have any questions, comments, or concerns, please do not hesitate to contact me at (361) 522-1935.

Sincerely, TRC

Alonzo G. Arredondo Senior Geologist

Attachment: Weekly Progress Report cc: Lazarus Texas Refinery I, LLC

WEEKLY PROGRESS REPORT - Falcon Refinery Federal Superfund Site, Ingleside, TX;

1. TASKS NECESSARY TO COMPLETE THE REMOVAL ACTION

- Butane Tank This tank contains less than one gallon of sludge. It will be cleaned, the sludge will be disposed of appropriately, and the tank will be inspected.
- Tank 12 The three inches of oil that remain in this tank will be removed when the collapsed roof is removed.
- Tank 7 The three feet of sludge that remain in this tank will be removed when the collapsed roof is removed.
- Tank 30 The two feet of water and sludge that remain in this tank will be removed when the collapsed roof is removed.
- Tank 26 This tank requires the removal of liquids and sludge and will be demolished after cleaning.
- Facility Pipes The pipes that contain material will be carefully handled to allow for the removal of the contents within them.

2. THE SCHEDULE OF ACTIVITIES TO COMPLETION DATE (September 28, 2012)

 Tank 12 – Cut door, remove internal floating roof, oil and conduct API 653 tank inspection;

April 2, 2012

 Tank 30 – Cut door, remove internal floating roof, water, and paraffin;

April 11, 2012

 Tank 7 – Cut door, remove internal floating roof, paraffin and; April 11, 2012

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Butane Tank – Completely clean and inspect the vessel;

April 23, 2012

 Tank 26 – Install treatment system, construct irrigation field, treat water, reclaim oil, centrifuge sludge and dispose of residual solids at U.S. Ecology;

April 4, 2012

• Facility Pipes – The material in the facility piping will be removed as the vessels and connecting pipelines are demolished;

3. PROJECT ACTIVITIES COMPLETED THIS REPORTING PERIOD (MARCH 26 - 30, 2012)

Lazarus commenced with assessing the site conditions and conducting the following activities:

- Construction of a firewall for the Tank 26 area;
- Sampling of oil from Tank 12;
- Sampling of water from Tank 30;
- Sampling of liquids from Tank 26 at discrete 1 foot intervals to identify the liquid phases in the tank;
- Review of proposal for the cutting of doors, removal of floating roofs, and cleaning of Tanks 7. 12. and 30:
- Review of a proposal for the installation of the wastewater treatment system at Tank 26 and construction of an irrigation field for the land application of treated wastewater;

4. ACTIVITIES PLANNED FOR NEXT WEEK (APRIL 2 – 6, 2012)

- Complete construction of the firewall for Tank 26;
- Acquire the wastewater treatment system;
- Begin construction of the berms for the irrigation field;
- Fully evaluate water samples from Tank 26 and prepare a treatment program for the water, oil and sludge;
- Construct a pad for the treatment system and spot frac tank on pad in the former Tank 27 area.
- Install a water line from Tank 30 to the frac tank in the Tank 27 area.
- Start the collection and disposal of fiberglass insulation from the Tank 10 and 27 areas.

5. ACTIVITIES PLANNED FOR WEEK FOLLOWING (APRIL 9 – 13, 2012)

- Mark and reinforce the door locations for Tanks 12 and 30;
- Prepare and cut door in Tank 12 on April 9th, 2012;
- Prepare and cut door in Tank 30 on April 10th, 2012;
- Cut/remove roof and clean Tank 12;
- Complete construction of the pads for the irrigation fields;

6. ISSUES ENCOUNTERED